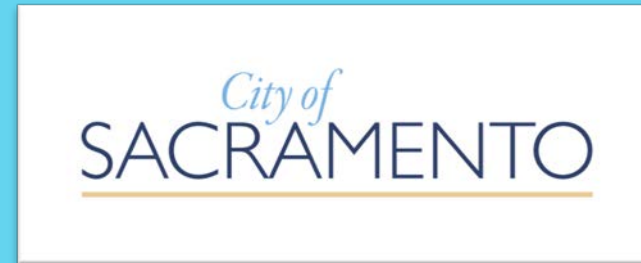


**CITY OF SACRAMENTO
CAMPAIGN LAW ENFORCEMENT AGREEMENT
AND
SACRAMENTO CITY CODE, CHAPTER 2.13
“CAMPAIGN CONTRIBUTION LIMITATIONS”**

**City of Sacramento Ethics Commission
Audit Process and Contract Overview
August 26, 2019**

CITY OF SACRAMENTO CAMPAIGN LAW ENFORCEMENT AGREEMENT

- **Agreement between City of Sacramento and FPPC**
- **Result of special legislation**
- **Entered in 2018, current agreement expires December 31, 2019**



CITY OF SACRAMENTO CAMPAIGN LAW ENFORCEMENT AGREEMENT

- **Prevent public harm**
- **Keep voters informed**
- **Level playing field**
- **Ensure that campaign contribution limitations are monitored and enforced to compel compliance**
- **Educate candidates and public officials**

CITY OF SACRAMENTO CAMPAIGN LAW ENFORCEMENT AGREEMENT

- **Education and outreach**
 - **Contact the FPPC with questions about requirements under the Political Reform Act or local ordinance**
 - **Training**
 - **Web page with Sacramento-specific information**
- **Auditing**
 - **Every City of Sacramento candidate/controlled committee who meets the contract criteria**
- **Enforcement**

AUDITING UNDER THE CONTRACT

Who will be audited:

- Every candidate and his or her controlled committee for elective Sacramento City office
- Threshold: \$2,000 or more contributions received or \$2,000 or more expenditures made by
 - the candidate,
 - committee(s) controlled by the candidate, or
 - committee(s) primarily supporting his or her candidacy

AUDITING UNDER THE CONTRACT

Audit: Initial steps

- **Contact letter informing candidate of audit**
- **Audit questionnaire**
 - **Name of treasurer(s)**
 - **Campaign bank account info**
 - **Questions re: contributions & types of expenditures**
 - **Contact info for persons to request records, and to discuss audit findings**

AUDITING UNDER THE CONTRACT

Audit: Records

- **CONTRIBUTIONS RECEIVED**
 - Copies of all contributor checks and deposit slips
 - Records of all contributions received
 - Date received, contributor name, amount, occupation, employer, and for contributions received online include the transaction reports from the online processing service
- **NONMONETARY CONTRIBUTIONS**
 - Letters from contributors showing the date contributed, the items donated, and the fair market value

AUDITING UNDER THE CONTRACT

Audit: Records

- **LOANS RECEIVED**
 - Loan agreements, promissory notes
 - Copies of loan checks received
 - Records of bank transfers
 - Records for payments made, such as copies of payment checks or bank transfers
 - Records maintained of outstanding balances

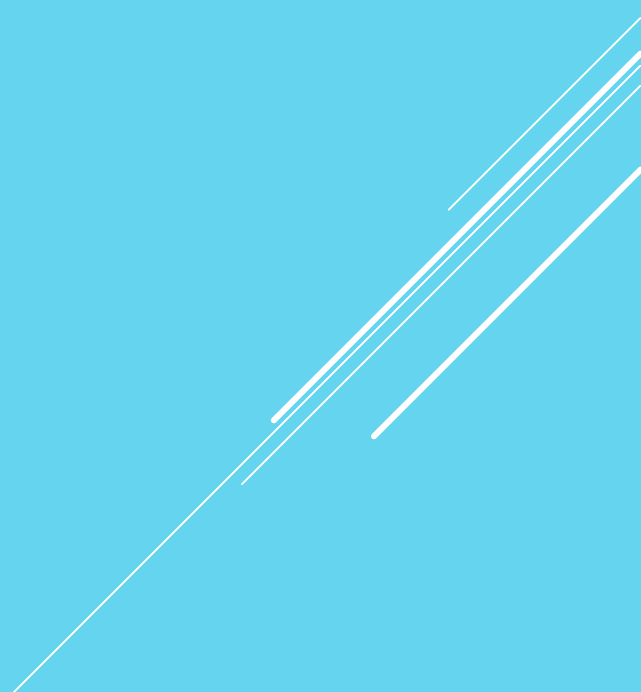
AUDITING UNDER THE CONTRACT

Audit: Records

- **EXPENDITURES**
- **Canceled checks or image of cancelled checks received from banks**
- **Invoices and receipts, including records to support subvendors**
- **Credit card statements and charge slips**
- **Contracts and agreements**
- **Original samples of each mass mailing sent**
- **Disbursement journal**
- **Canceled checks written on personal, business or other bank accounts to pay for campaign expenditures**
- **Journal or other record of personal funds used to pay campaign expenditures**
- **Correspondence sent, including invitations and solicitations**
- **Any other records to support the expenditures made**

AUDITING UNDER THE CONTRACT

Audit: Records

- **CAMPAIGN BANK ACCOUNT AND FILINGS**
 - **Copies of bank statements for each account**
 - **Copy of check register**
- 
- A decorative graphic consisting of several parallel white lines of varying lengths, slanted diagonally from the bottom right towards the top right, set against a light blue background.

AUDITING UNDER THE CONTRACT

Audit periods will be determined by the FPFC

- **Ensure comprehensive audit findings**
- **May include beginning audit periods beyond the date of the contract**

FPFC required to provide quarterly billing statements for work performed under the contract

CITY OF SACRAMENTO CAMPAIGN LAW ENFORCEMENT AGREEMENT

Enforcement

- **Attorney review of all audit findings**
- **Consistency in case resolutions and penalties**
- **Closure letter: No Action, Advisory, or Warning**
- **Stipulation: Streamline or Mainline**
- **Approved by the Commission and public documents**

CITY OF SACRAMENTO CAMPAIGN LAW ENFORCEMENT AGREEMENT

THE CONTRACT

- **Terms of agreement: March 1, 2018 through December 31, 2019**
- **The Commission has approved a new template contract (August 15, 2019) for all future contracts with outside agencies**
- **Template includes various options**
- **Streamline approval process**

THANK YOU

